



General Assembly

Amendment

February Session, 2002

LCO No. 3429

SB0007403429SD0

Offered by:

SEN. DAILY, 33rd Dist.

To: Subst. Senate Bill No. 74

File No. 148

Cal. No. 134

***"AN ACT CONCERNING PERIODIC REVALUATION OF REAL
PROPERTY BY TOWNS."***

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Subsection (h) of section 12-62 of the general statutes is
4 repealed and the following is substituted in lieu thereof (*Effective from*
5 *passage*):

6 (h) (1) Nothing in this section shall be construed as prohibiting a
7 town from electing to effect a revaluation of real estate earlier than the
8 year of next revaluation, as designated in subsection (b) of this section.

9 (2) [A] On and after October 1, 2002, a town electing to effect its next
10 revaluation earlier than required pursuant to subsection (b) of this
11 section shall effect its next subsequent revaluation [for the assessment
12 date commencing four years following the effective date of the
13 revaluation so implemented] on the assessment date that is four years
14 after the date provided in said subsection (b) which date is applicable

15 to the revaluation which is being effected earlier.

16 Sec. 2. Section 12-62 of the general statutes is amended by adding
17 subsection (k) as follows (*Effective from passage*):

18 (NEW) (k) (1) As used in this subsection: (A) "Coefficient of
19 dispersion", "commercial property", "market sale", "median ratio",
20 "price related differential", "property class", "ratio", "residential
21 property" and "vacant land" have the same meanings as the definitions
22 of those terms in the regulations adopted under section 12-62i.

23 (2) Notwithstanding the provisions of this section, a town shall be
24 exempt from performing its next scheduled revaluation if, as of the
25 date that calculations pursuant to this subsection are performed: (A)
26 The overall level of assessment for all property classes is within plus or
27 minus ten per cent of the seventy per cent assessment ratio required
28 under subsection (b) of section 12-62a, as measured by the overall
29 median ratio; (B) the level of assessment for each property class for
30 which there are fifteen or more market sales is within plus or minus
31 five per cent of the median overall level of assessment for each such
32 property class; (C) the coefficient of dispersion for each property class
33 for which there are fifteen or more market sales is equal to or less than
34 (i) fifteen per cent for all property; (ii) fifteen per cent for residential
35 property; (iii) twenty per cent for commercial property; and (iv) twenty
36 per cent for vacant land; and (D) the price related differential for each
37 property class for which there are fifteen or more market sales is
38 within 0.98 and 1.03. The provisions of this subsection shall terminate
39 on October 1, 2007, and shall not apply to any revaluation scheduled to
40 be implemented on or after said date.

41 (3) In order to claim exemption under this subsection from the
42 requirement to implement a revaluation pursuant to subsection (b) of
43 this section, a town shall perform the calculations required by this
44 subsection not earlier than April second and not later than April tenth
45 of the calendar year preceding the October first assessment date on
46 which such revaluation pursuant to subsection (b) of this section is

47 required to be effective, except that a town scheduled to implement a
48 revaluation on October 1, 2003, may perform such calculations not
49 later than thirty days after the effective date of this section. Such
50 calculations shall be based on market sales that occurred between
51 October first of the previous calendar year and April first of the
52 calendar year in which such calculations are performed, provided if
53 the total number of market sales occurring in said period is less than
54 thirty, the time period prior to said October first shall be extended in
55 monthly increments until the number of market sales is equal to or
56 greater than thirty, but in no event shall such time period be extended
57 for more than twelve months prior to said October first. The assessor
58 may adjust the sales price of any property to take into account: (A) The
59 fact that the property sold is subject to a lease that does not represent
60 market rent, as defined in section 12-63b; (B) the inclusion of personal
61 property in the price paid for real property that was sold; or (C) any
62 other factor the assessor deems appropriate provided there is objective
63 criteria substantiating any such adjustment and the reason for such
64 adjustment is documented by the assessor. In the event the time period
65 is extended under the provisions of this subsection, the assessor may
66 also adjust the sales price of any property sale occurring in said
67 extended time period to take into account the effect of a price change
68 in the real estate market between the date of sale and the date such
69 calculations are performed. Information concerning such market sales
70 and the statistical analyses of such sales shall be available for public
71 inspection for not less than one year from the date a town certifies its
72 exemption from the requirement to implement its next scheduled
73 revaluation, provided the Secretary of the Office of Policy and
74 Management does not rescind such exemption, pursuant to section 3 of
75 this act.

76 (4) Any town that meets the criteria set forth in this subsection shall,
77 not later than five days after the calculations required by this
78 subsection are performed, certify its exemption from the requirement
79 to implement its next scheduled revaluation pursuant to subsection (b)
80 of this section to the Secretary of the Office of Policy and Management.

81 Such certification shall be signed by the chief executive officer and the
82 assessor and filed in their respective offices and shall specify the
83 assessment date to which such exemption applies. The certification
84 submitted to the secretary shall be accompanied by documentation of
85 the town's compliance with the criteria delineated in this subsection, in
86 such form and manner as the secretary may require. Such
87 documentation shall include, but not be limited to: (A) Information
88 concerning all sales of real property for each property class that
89 occurred during the time period encompassed by the town's analyses;
90 (B) information concerning the market sales used in the analysis for
91 each property class during such time period; (C) documentation
92 concerning the reason used by the assessor to adjust the sales price of
93 each property and the dollar amount of the adjustment; (D)
94 documentation of the reason for not including a real property sale in
95 the analysis of any property class; and (E) the results of each of the
96 applicable calculations described in subdivision (2) of this subsection.
97 Each town that certifies an exemption from the requirement to
98 implement a revaluation pursuant to this subsection shall cooperate
99 with the secretary or the committee established pursuant to section 3 of
100 this act in promptly providing any information the secretary or the
101 committee may require. A copy of the certification of a town's
102 exemption from the requirement to implement its next scheduled
103 revaluation, as submitted to the secretary, shall be provided to the
104 town clerk of the town, who shall record such certification on the land
105 records. In the event the secretary rescinds such exemption, the
106 secretary's notice rescinding the town's revaluation exemption
107 certification shall be recorded on the land records.

108 Sec. 3. (NEW) (*Effective from passage*) (a) There shall be a committee
109 for the purpose of analyzing the data upon which a town bases its
110 certification of exemption from the requirement to implement a
111 scheduled revaluation on and after October 1, 2003, pursuant to section
112 12-62 of the general statutes, as amended by this act, together with all
113 data that was or should have been considered in completing the
114 calculations on which such exemption certification is based. Not later

115 than three months after the date on which the Secretary of the Office of
116 Policy and Management receives a town's certification of exemption
117 from such requirement, the committee shall complete its analysis and
118 shall submit a written report of its findings to the secretary. Such
119 report shall include the committee's opinion of the validity of the
120 exemption certification made by the town and a recommendation
121 regarding the secretary's action concerning such certification. Not later
122 than five days after receiving a report of the committee's findings, the
123 secretary shall send a written notice to the town, by certified or
124 registered mail, validating or rescinding the town's revaluation
125 exemption certification. The secretary shall validate the town's
126 exemption from the requirement to implement a revaluation as of the
127 October first of the calendar year next following, unless the committee
128 recommends that the secretary rescind such exemption.

129 (b) The committee shall consist of the following members appointed
130 by the Secretary of the Office of Policy and Management: (1) Five
131 persons appointed for two-year terms, at least one of whom shall
132 represent a municipality with a population of ten thousand or less, one
133 of whom shall represent a municipality with a population greater than
134 ten thousand but less than forty thousand, one of whom shall
135 represent a municipality with a population greater than forty
136 thousand, one of whom shall be a person who has demonstrated
137 competence in statistical analyses and one of whom shall be an
138 employee of the Office of Policy and Management; and (2) six persons
139 appointed for four-year terms, each of whom shall be certified
140 pursuant to section 12-40a of the general statutes, and shall be
141 employed by a municipality in the state in a position relating to the
142 assessment of property for purposes of the property tax, or shall have
143 been employed in such a position within five years preceding the date
144 on which such person is appointed. All committee members shall be
145 appointed not later than July 1, 2002. The secretary shall fill each
146 vacancy at the conclusion of a term. Each member of the committee
147 other than the representative from the Office of Policy and
148 Management shall serve without pay, provided a town shall reimburse

149 committee members for reasonable expenses they incur in analyzing
150 the data upon which the town based its certification of exemption. Any
151 person who ceases to be an employee of the Office of Policy and
152 Management or to be certified pursuant to said section 12-40a, shall
153 cease to be a member of the committee and the secretary shall appoint
154 a replacement to fill the remainder of such person's term. The
155 committee shall elect a chairperson and adopt rules and procedures for
156 complying with the requirements of this section, provided a member
157 of the committee shall not vote on the validity of a certification made
158 by the town in which such member (A) resides, (B) owns or has a
159 substantial interest in property subject to taxation, or (C) is a municipal
160 employee.

161 (c) The committee shall establish whether or not a town complied
162 with the requirements of section 12-62 of the general statutes, as
163 amended by this act, in effecting the required calculations, and
164 whether or not the assessor in performing the analyses for each
165 property class and for all real property: (1) Excluded market sales that
166 should have been included, (2) made adjustments to the sales prices of
167 property that were not based on objective criteria, not documented, or
168 not substantiated in terms of the reasons therefor, (3) included sales
169 that were not market sales, or (4) did not make necessary and
170 appropriate adjustments to the sales prices of real property. If the
171 committee finds that the town or the assessor did not conform to the
172 requirements of subsection (k) of section 12-62, as amended by this act,
173 and that such nonconformance materially affected the calculations on
174 which the town based its certification of exemption from the
175 requirement to implement a scheduled revaluation, the committee
176 shall recommend that the secretary rescind such exemption. If the
177 committee finds that the town or the assessor conformed to such
178 requirements, or did not conform to such requirements but that such
179 nonconformance did not materially affect the calculations on which
180 such certification was based, the committee shall recommend that the
181 secretary validate such exemption.

182 (d) In the event the Secretary of the Office of Policy and

183 Management rescinds a town's revaluation exemption certification, the
184 town shall implement a revaluation of all real property as soon as is
185 practicable, but in no event later than the October first next following
186 the date on which it was scheduled to implement the revaluation for
187 which the secretary rescinded the exemption certification. Any such
188 town shall be required to implement its next subsequent revaluation
189 for the assessment date that is four years after the assessment date for
190 which such exemption certification is rescinded and thereafter such
191 town shall implement a revaluation in accordance with the provisions
192 of subsection (b) of section 12-62 of the general statutes. Any such
193 town shall not be eligible to certify an exemption from the requirement
194 to implement a revaluation, pursuant to section 12-62 of the general
195 statutes, as amended by this act, any earlier than the date that is five
196 years after the date on which the town certified the exemption from
197 the requirement to implement a revaluation that the secretary
198 rescinded. If the secretary determines that such town's revaluation
199 exemption certification could not have been made unless the town
200 intentionally disregarded the provisions of section 12-62 of the general
201 statutes, as amended by this act, in order to subvert the requirement to
202 implement a scheduled revaluation, the secretary may impose a
203 penalty against such town. The secretary shall determine the amount
204 of such penalty and the method by which it shall be paid, which may
205 include subtracting such amount from any grant the payment of which
206 the secretary certifies to the Comptroller in the fiscal year in which the
207 penalty is imposed, or in the fiscal year next following. Prior to
208 imposing any such penalty, the secretary, or the secretary's designee,
209 shall hold a hearing and shall send a written notice to the town of the
210 date, time and place thereof not later than ten business days before
211 such hearing is scheduled. Not later than thirty days following the
212 conclusion of such hearing, the secretary shall determine if imposition
213 of a penalty is warranted and shall send a written notice of such
214 determination to the town. In the event the secretary imposes a
215 penalty, such notice shall state the amount of such penalty and the
216 method by which it shall be paid. The secretary shall send any notice
217 required by this section by certified or registered mail. Any town

218 aggrieved by the action of the secretary following such hearing or by
219 the amount of the penalty imposed may appeal to the superior court
220 for the judicial district wherein such town is located. Such appeal shall
221 be taken not later than ten business days after the date on which the
222 town receives the secretary's notice concerning such penalty. Any such
223 appeal shall be privileged.

224 (e) On and after July 1, 2002, the provisions of this section and
225 section 12-62 of the general statutes, as amended by this act, shall
226 supercede the provisions of any special act, charter or home rule
227 ordinance to the contrary concerning the year a revaluation is required
228 to be implemented.

229 Sec. 4. Subsection (c) of section 9-199 of the general statutes is
230 repealed and the following is substituted in lieu thereof (*Effective from*
231 *passage*):

232 (c) Notwithstanding the provisions of subsection (a) of this section
233 or of any special act, municipal charter or home rule ordinance, a
234 municipality may, by ordinance, authorize its legislative body to
235 appoint additional members to the board of assessment appeals for
236 any assessment year. [in which a revaluation becomes effective, for the
237 assessment year prior to such year of revaluation and for the
238 assessment year following such year of revaluation.]

239 Sec. 5. Subdivision (11) of section 12-81 is repealed and the
240 following is substituted in lieu thereof (*Effective from passage*):

241 (11) Subject to the provisions of section 12-88, tangible property
242 owned by, or held in trust for, a religious organization, provided such
243 tangible property is used exclusively for cemetery purposes; donations
244 held in trust by a municipality, an ecclesiastical society or a cemetery
245 association, the income of which is to be used for the care or
246 improvement of its cemetery, or of one or more private burial lots
247 within such cemetery. Subject to the provisions of sections 12-87 and
248 12-88, any other tangible property used for cemetery purposes shall
249 not be exempt, unless (a) such tangible property is exclusively so used,

250 and (b) no officer, member or employee of the organization owning
251 such property receives or, at any future time, shall receive any
252 pecuniary profit from the cemetery operations thereof except
253 reasonable compensation for services in the conduct of its cemetery
254 affairs, and (c) in 1965, and quadrennially thereafter, a statement on
255 forms prepared by the [Secretary of the Office of Policy and
256 Management] assessor shall be filed on or before the last day required
257 by law for the filing of assessment returns with the local board of
258 assessors of any town, consolidated town and city or consolidated
259 town and borough, in which any of its property claimed to be exempt
260 is situated."

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| This act shall take effect as follows: | |
| Section 1 | <i>from passage</i> |
| Sec. 2 | <i>from passage</i> |
| Sec. 3 | <i>from passage</i> |
| Sec. 4 | <i>from passage</i> |
| Sec. 5 | <i>from passage</i> |